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SUBJECT: HOUSE SPEAKER PELOSI AND COR SPEAKER MASHADANI
DISCUSS LEGISLATIVE PRIORITIES

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d)

¶1. (C) Summary. Council of Representative (CoR) Speaker Mahmoud Mashadani warmly welcomed CODEL Pelosi to Baghdad on May 17 and told CODEL Pelosi and the Ambassador he expects provincial elections will occur by October 1, 2008. He highlighted provisions of the law banning parties with ties to militias from participating in the elections and the importance of ensuring the rights for minorities. Mashadani and CODEL Pelosi also discussed the role of the Strategic Framework Agreement (SFA) in establishing a long-term relationship between the U.S. and Iraq. He did not offer a timeline for reducing the presence of U.S. troops, instead highlighting the USG's on-going assistance to counter Iranian mortar attacks. Mashadani discussed the need for Iraq to diversify its economy beyond the oil sector, but did not reference the hydrocarbons legislation specifically. He discussed the foreign investment law, which passed the CoR in October 2006, highlighting that Chair of the Investment Commission Ahmed Ridha is spearheading efforts to build Iraq's private sector. Mashadani welcomed an invitation from Rep. Pelosi to visit the US Congress in future. End Summary.

OVERALL PROGRESS IN THE COR

¶2. (C) Speaker of the House Rep. Nancy Pelosi and her bipartisan delegation (Rep Steny Hoyer, D-MD; Rep. Adam Putnam, R-FL; Rep. John Larson, D-CT; Rep. Howard Berman, D-CA; Rep. Gary Ackerman, D-NY; Rep. Alcee Hastings, D-FL; Rep. Jane Harman, D-CA) congratulated CoR Speaker Mahmoud Mashadani on legislative achievements in February, when the amnesty law, 2008 budget, and provincial powers law all passed as an omnibus package. She also provided encouraging words regarding progress on the provincial elections and hydrocarbons legislation. She praised Mashadani for his new role as Head of the Arab Parliamentarian Union this year, lauding the Iraqi CoR as one of the "truest" democratic parliaments in the Middle East. Mashadani responded that Iraq can learn from other Arab Parliaments such as Egypt, Morocco, and Algeria. He also stressed the GOI cannot accomplish anything without the approval of the Parliament.

UPCOMING ELECTIONS LAW

¶3. (C) Mashadani told CODEL Pelosi he is working hard to ensure provincial elections occur by October 1, 2008. He discussed the provincial elections law currently under debate in the CoR, highlighting that any parties that possess an armed militia will not be allowed to participate. He also stressed the need for provisions supporting minority representation. He blamed any "foreseeable" delays on technical problems caused by the Independent Higher Election Commission (IHEC). He stressed the importance of transparency in the elections as well as the need for security. The GOI and CoR, he said would continue to ask for MNF-I's security support during the provincial elections, noting this will increase confidence among Iraqi citizens. Mashadani also assured Rep. Pelosi that the Sunnis will

actively participate in the provincial elections this year.

STRATEGIC FRAMEWORK AGREEMENT

14. (C) In response to a question regarding expected timeline for US Forces to withdraw, Mashadani responded that "nobody" in Iraq -- even the Prime Minister -- can truly answer this question. He sympathized with the high cost in U.S. lives and resources. Mashadani then talked about the importance of the Strategic Framework Agreement (SFA) in establishing a long-term relationship between the U.S. and Iraq. Mashadani stressed the importance of receiving security support from the U.S. to counter Iranian influence. "As you know," he said, "Iranian rockets rained down in Baghdad." He remarked that the GOI could not have countered these attacks without U.S. military support. Mashadani highlighted the importance for Iraq to maintain its sovereignty at the same time.

ECONOMIC STABILITY

15. (C) In response to a question from Rep. Adam Putnam (R-FL) regarding Iraq's plans for long-term economic stability, Mashadani discussed Iraq's role as an oil-producing country. "As you know," he said, "Iraq's oil will not last forever." He discussed the need to improve Iraq's infrastructure and other industries to reduce Iraq's dependence on oil. Foreign investment is necessary in other sectors so that Iraq will become self-sufficient. Mashadani referenced the Iraqi investment law, which passed in October 2006, as establishing this legal framework. He lauded the current efforts of Ahmed

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Ridha as Chair of the National Investment Commission (still pending confirmation by the CoR), remarking particularly on his expertise in the United Arab Emirates on economic development issues. Mashadani highlighted resources the GOI is dedicating to improve Iraq's infrastructure, including water, electricity, and residential sectors.

16. (U) Rep. Pelosi did not have the opportunity to clear this cable before departing.
CROCKER